



**MONTGOMERY  
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J. SCOTT HALL

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2010 NOV 10 P 3:40

November 10, 2010

Ms. Florene Davidson  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Hand Delivered**

**Re: NMOCD Case No. 14565: Application of Mewbourne Oil Company for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico**

Dear Ms. Davidson:

On behalf of Nearburg Producing Company, L.P., enclosed is an Entry of Appearance and a Pre-Hearing Statement in the above case.

Thank you.

Very truly yours,

Karen Williams  
Assistant to J. Scott Hall

JSH:kw  
Enclosure

cc: Tom Kellahin, Esq.

00232687

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**REPLY TO:**

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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

2010 NOV 10 P 3:40

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

CASE NO. 14565

ENTRY OF APPEARANCE

Comes now Nearburg Producing Company, by and through its undersigned attorneys,  
Montgomery & Andrews, P.A. (J. Scott Hall), and hereby enters its appearance in the above matter.

MONTGOMERY & ANDREWS, P.A.

By: \_\_\_\_\_



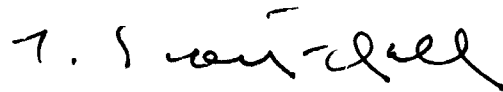
J. Scott Hall, Esq.  
Post Office Box 2307  
Santa Fe, New Mexico 87504  
(505) 982-3873

Attorneys for Nearburg Producing Company

Certificate of Service

I hereby certify that on November 10, 2010, a true and correct copy of the foregoing  
was deposited with the U.S. Postal Service, with proper postage affixed, addressed as follows:

Tom Kellahin, Esq.  
Kellahin & Kellahin  
706 Gonzales Road  
Santa Fe, NM 87501



\_\_\_\_\_  
J. Scott Hall

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**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 14565**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Nearburg Producing Company as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANTS**

Mewbourne Oil Company

**APPLICANT'S ATTORNEY**

Tom Kellahin, Esq.  
Kellahin & Kellahin  
706 Gonzales Road  
Santa Fe, NM 87501  
(505) 216-2780

**OPPOSING PARTY**

Nearburg Producing Company  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705

**OPPOSING PARTY'S ATTORNEY**

J. Scott Hall  
Montgomery & Andrews  
P.O. Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 986-2646

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order (i) approving a non-standard oil spacing and proration unit in the Yeso formation comprised of the N/2 NW/4 of Section 10, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, and (ii) pooling all mineral interests from the surface to the top of the Yeso formation underlying the NW/4 NW/4 of Section 10, and the Yeso formation underlying the non-standard unit.

### OPPOSING PARTY

Nearburg Producing Company owns working interests in the N/2 NW/4 of Section 10 T20S R25E. Nearburg also owns and operates the adjoining acreage in Section 3 T20S R25E. The 80-acre non-standard unit proposed for Mewbourne's horizontal well is already populated with two vertical Yeso formation wells. Nearburg is concerned that location of the horizontal well from 330' or 350' from the north line of Section 10 is inconsistent with the development pattern in the area and could lead to well interference and the impairment of correlative rights between Section 10 and Section 3. A separate matter currently pending before the Division in which Mewbourne seeks to increase the depth bracket allowable for the pool (Case No. 14554) may also have a bearing on Mewbourne's Application in this matter.

### **PROPOSED EVIDENCE**

#### APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>NEARBURG PRODUCING COMPAY</u>		
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Ken Dixon, Landman	15 minutes	3
Tim Speer, Geologic Engineer	20 minutes	5

### **PROCEDURAL MATTERS**

None.

MONTGOMERY & ANDREWS, P.A.

By: J. S. Kellahin

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Post Office Box 2307  
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Attorneys for Nearburg Producing Company

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J. Scott Hall

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